



LOCAL AUTHORITY MENTAL HEALTH MEDICAID MATCH REPORT

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

SUMMARY

In its 2014 and 2015 General Sessions, the Legislature appropriated \$6.4 million one-time General Fund to assist local mental health authorities to pay for their mental health Medicaid match. The Utah Association of Counties (UAC) uses the match to meet the local mental health and substance abuse disorder needs that exist in their counties. UAC states, "In addition to the \$6.4 million provided by the Legislature, the counties are currently matching that \$6.4 million with 20 percent local matching funds (\$1,280,000) as required by UCA 17-43-301(4)(a)(x). In turn, the State and local funds are then being used to draw down additional federal Medicaid Funds." In addition to the appropriation, the Legislature also passed intent language in 2015 indicating that the \$6.4 million General Fund appropriation was for one year only until local authorities could find ways to provide their own matching funds in the future. The intent language also required the local mental health authorities to report plans to provide their own matching funds in the future to the Office of the Legislative Fiscal Analyst (S.B. 2, Item 82). Local mental health authorities have provided a report to the LFA. The report, titled, [Local Mental Health Authority Medicaid Match Social Services Appropriations Sub-Committee Legislative Report](http://le.utah.gov/interim/2015/pdf/00003967.pdf), can be found at: <http://le.utah.gov/interim/2015/pdf/00003967.pdf>. The local authority report describes the need for the state to "continue to partner with the local mental health authority and fund a portion of the federal match" on an ongoing basis and does not address plans on the part of local authorities to "provide their own matching funds in the future." The report poses at least two budget policy questions for Legislators.

Questions

- 1. Who should be responsible for funding the \$6.4 million increase in mental health Medicaid match? Should it be local authorities (e.g. – counties) or the state or a combination of state and local funds?**
- 2. Given that the local authorities did not address the intent language request to report plans on their part to "provide their own matching funds in the future," if the Legislature believes local authorities should provide for that increase in match, how would local authorities do that?**
 - The section below titled, *Potential Sources Available for Local Authorities to Cover the Increase in Match*, provides estimated amounts, by county, of the amount of a local property tax increase or sales tax increase would be required by county to fund the \$6.4 million. The Legislature should consider the potential of using one of these local options compared to funding the \$6.4 million with state General Fund.

Overview

Background

In 1986 the Legislature determined that counties would be responsible for public mental health services in Utah. In subsequent years Medicaid has become the largest financing source for these mental health services. Medicaid provided 61percent of the funding for FY 2013. The Medicaid program requires that state partners (including counties) pay for a portion of Medicaid expenditures called Medicaid match. The total FY 2013 Utah Medicaid match requirement was approximately 30 percent. Local authorities argue that local mental health Medicaid caseload growth has exceeded the growth in available Medicaid match funding sources for them and that this pressure affects all counties. In FY 2013, 73 percent of the match was paid for with State General Fund received by the counties as pass through while 27 percent was paid using county General Fund sources. During the 2015 General Session the Legislature provided an

additional \$6.4 million one-time to counties to assist them in paying for Medicaid match which the counties have matched at the 20 percent required rate. Counties are now looking to the state to make the \$6.4 million ongoing.

2015 General Session Intent Language regarding Local Mental Health Medicaid Match

The Legislature intends that the one-time General Fund appropriation of \$6,400,000 to the Department of Human Services for Local Authority Mental Health Medicaid Match is provided to assist local mental health authorities for one year until they can find ways to provide their own matching funds in the future. The Legislature further intends the local mental health authorities report their plans to provide their own matching funds in the future to the Office of the Legislative Fiscal Analyst by September 1, 2015. Senate Bill 2, Item 82 (for FY 2016)

Potential Sources Available for Local Authorities to Cover the Increase in Match

Local authorities (e.g. counties) did not comply with intent language to “report their plans to provide their own matching funds in the future.” However, UAC states that the counties “believe the current 20 percent match requirement that is being exceeded by the counties fulfills their funding responsibility in providing behavioral health services, and thus did not provide additional alternative funding mechanisms to address the specific request found within the intent language to ‘report their plans to provide their own matching funds in the future.’” By asking the state Legislature to fund these increases, the request from local authorities puts pressure on state taxing levels. As an alternative to defaulting to the state being the only funding source considered for this requested increase, Legislative staff have provided the following two tables that give an estimate, by county, of what a local sales tax increase or what a local property tax increase (Table 1) would be needed to fund the \$6.4 million local mental health Medicaid match being discussed in this issue brief. The Legislature could also determine to leave the decisions to counties regarding priorities and whether to increase taxes or to reduce other programs in order to fund the increase in Medicaid match.

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Estimated Sales Tax Increase or Property Tax Increase to Cover \$6.4 Million for Local Mental Health Medicaid Match				
County	Property Taxable Value	Necessary Property Tax	Sales Taxable Base	Necessary Sales Tax
BEAVER	1,196,767,186	34,200	105,333,033	13,000
BOX ELDER	4,230,563,046	120,500	565,787,560	69,800
CACHE	6,204,412,706	176,700	1,514,747,630	187,000
CARBON	1,939,374,397	55,200	425,133,011	52,500
DAGGETT	284,129,189	8,100	16,446,258	2,000
DAVIS	18,720,694,355	533,200	4,550,828,027	561,800
DUCHESNE	2,854,984,290	81,300	895,537,223	110,600
EMERY	2,097,317,886	59,700	139,401,187	17,200
GARFIELD	618,702,385	17,600	120,704,435	14,900
GRAND	1,571,324,627	44,800	390,269,774	48,200
IRON	3,294,486,237	93,800	656,571,519	81,100
JUAB	890,015,257	25,400	96,864,627	12,000
KANE	1,197,097,291	34,100	164,657,451	20,300
MILLARD	2,446,169,462	69,700	193,271,119	23,900
MORGAN	962,303,630	27,400	93,314,785	11,500
PIUTE	118,974,815	3,400	9,987,638	1,200
RICH	828,585,746	23,600	19,625,846	2,400
SALT LAKE	84,151,109,940	2,397,000	22,940,972,955	2,832,200
SAN JUAN	799,619,100	22,800	184,644,166	22,800
SANPETE	1,177,286,639	33,500	228,738,493	28,200
SEVIER	1,413,214,614	40,300	376,419,822	46,500
SUMMIT	15,891,763,196	452,700	1,570,919,880	193,900
TOOELE	4,087,725,566	116,400	633,731,346	78,200
UINTAH	5,978,365,346	170,300	1,470,012,013	181,500
UTAH	32,009,987,293	911,800	7,555,120,301	932,700
WASATCH	4,110,776,957	117,100	429,459,722	53,000
WASHINGTON	12,475,943,319	355,400	2,733,717,746	337,500
WAYNE	306,049,351	8,700	39,518,587	4,900
WEBER	12,826,167,956	365,300	3,719,454,179	459,200
STATEWIDE	224,683,911,782	6,400,000	51,841,190,333	6,400,000

Table 1